



Ecopreneurship and its Impact on Environmental Sustainability

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Abstract:

Traditionally entrepreneurship was conceived as an activity of converting the available resources from the environment into a profitable offering without giving due importance to environmental protection. But today consumers are cognizant of a growing sense of urgency to conserve the planet and aim for a greener future. This requires overlapping of entrepreneurship and environmental sustainability which has triggered the emergence of many ecopreneurial business. The present paper attempts to highlight the factors contributing to the growing importance of ecopreneurship and examine its impact on environmental sustainability. The result shows that several factors namely competitive advantage, changing consumption pattern, government assistance etc. has contributed to the growing importance of ecopreneurship. Also, ecopreneurship has a positive impact on environmental sustainability in the form of increased eco-awareness, eco-commitment, eco-opportunity, eco-vision, eco-innovation, eco-consumption and the transition to a green economy.

Keywords: **Ecopreneurship, Environmental Sustainability, Green Economy.**

Introduction:

The world is facing many environmental problems such as climate change, ozone depletion, loss of biodiversity, pollution and environmental degradation. Although much damage to the environment has been caused by man-made activities, it is the need of the hour to protect and preserve the environment so that our future generations will be able to avail the benefits of different environmental resources. It has been realized that preserving environment should receive utmost importance, if the environmental externalities are to be avoided. The practices of conserving environment followed by a few innovative leaders will be continued by the next generations resulting in everlasting sustenance of the resources. The importance of environmental sustainability has been realized by the stakeholders of the society namely- the government, the local communities and different pressure groups such as NGOs. Along with this the adoption of Information Technology has widened the information base of the locals regarding different sustainable business models in different parts of the globe. It has been found that most successful businesses rely on three important objectives namely- economic, social and ecological. Many individuals and companies have conceived that achieving economic benefits by adopting a "greener approach" could address the issue of environmental degradation together with serving a "pull factor" enticing the public to purchase their offering. They have exploited the opportunity by replacing the traditional production methods, products and market structures with environmentally friendly ones. Thus, a new breed of entrepreneurs namely **ecopreneurs** or **ecological entrepreneurs** have emerged which has gained attention by many scholars and researchers

all around the world. Ecopreneurs have been able to act as a bridge between the need for economic sustainability and the need for environmental protection. Different studies have found that sustained development of a nation requires creative innovators and leaders who can achieve environmental goals with superior products and services that are successful in the market place. This motto has been achieved to a great extent by the ecological entrepreneurs.

Statement of the Problem:

The pace of environmental degradation is increasing day by day and humans are accountable to it to a large extent. Various natural havocs like droughts, flood, lack of resources have pushed people to think about protecting the environment and conserving it for future generations. This has also attracted the attention of different national and international bodies who are consistently trying to educate people to protect the environment and take necessary steps to reduce the environmental externalities. Past strategies adopted by different pressure groups along with the government were not able to achieve the desired result. To achieve the desired result, it requires active collaboration from the consumers side as well. Recognizing the importance of going green, consumers today are more inclined towards environmentally friendly consumption process. This opportunity has been seized by a selected class of entrepreneurs who through their innovative capabilities have acted as a bridge between economic need and the need for environmental sustainability. They have also been an inspiration enticing new startups to follow them and join them in the path towards a green transition. This Nobel initiative adopted by the ecopreneurs apart from earning profitable returns also has a positive impact on environmental sustainability. In this context, the present treatise is an attempt to highlight the factors contributing to the growing importance of ecopreneurship and examine its impact on environmental sustainability.

Review of Literature:

Several studies have been made on ecopreneurs by different scholars with reference to various countries and in different contexts. In conducting the proposed research, the following research work has been reviewed: -

1. **Schyler (1998)** through his research has concluded that ecopreneurs are entrepreneurs whose business efforts are not only driven by profit but also by a concern for the environment.
2. **Schaltegger (2002) through** his research has concluded that ecopreneurship is a combination of two words ecological(eco) and entrepreneurship. It is basically entrepreneurship through an environmental lens.
3. **Rekik L, Bergeron F, Nikolau, Ierapetritis and Tsagarakis** have stated that ecopreneurship denotes innovative behaviour by individuals and organisations that operate in the private sector and that view an "environmental focus" as the main pillar and competitive advantage of its business model.
4. **Kainrath (2009)** through various case studies has concluded that there are three important elements for success in ecopreneurship:
 - a. Eco innovation - Providing innovative solution to different environmental problems.
 - b. Eco commitment - Creating and implementing policies for commitment towards green products.

- c. Eco opportunity - Identifying opportunities for innovation to solve environmental problems as well as to achieve sustainability in business.

5. Volery (2002) has identified two categories of ecopreneurs namely:

- a. Environment conscious entrepreneurs who are well aware of environmental issues but they are not in the environmental market place.

- b. green entrepreneurs who are both aware of environmental issues and whose business venture is in the environmental market place.

6. McEwen (2013) has stated that ecopreneurship is a solution to environmental problems. The need is only to harness the innovative potential of environmental conscious entrepreneurs and encourage more startups to create environmental technologies needed to address different environmental problems. It also requires effective entrepreneurial education in college and university level for promoting entrepreneurial behaviour.

7. Galkina and Hultman (2016) in their research have stated that ecopreneurship is a promising area because it leads to disruptive and much needed transformation in society. Entrepreneurial initiatives are needed to be undertaken in combination with other major changes in society and also by establishing strong links with industries, local communities and government institutions.

Objectives of the study

1. To highlight the different factors contributing to the growing importance of ecopreneurship.
2. To examine the impact of ecopreneurship on environmental sustainability.

Research Methodology

The present paper is descriptive in nature. It is based entirely on secondary data. The study uses available sources of data in the form of published sources collected from various articles, journals, books, magazines, websites etc.

Factors contributing to the growing importance of ecopreneurship

The growing trend of converging entrepreneurship and environmental sustainability has attracted many aspiring entrepreneurs to join the race thus resulting into growing number of ecopreneurs or green entrepreneurs. The following factors have contributed to a great extent to the rising number of entrepreneurial ventures:

Environmental education: Nowadays, different initiatives are taken by the policy makers including educational institutions by incorporating information regarding different aspects of environment in their course contents. This also includes information regarding different remedial measures to achieve ecological balance by focussing on 3 R's - Reduce, Reuse and Recycle. As a result, students from young age develop an emotional attachment towards nature. This love towards environment drives them to consistently think of developing technologies and establishing ventures which meet the demands of both economic growth as well as environmental sustainability. As per 90% of the countries report that education for sustainable development and global citizenship education is at least partially mainstreamed in national education, laws and policies, curricular, teacher, or student assessment in primary and secondary school (Source: The Sustainable Development Goals, 2022). In India, environmental education is mandated by the Supreme Court and is overseen by the National Council for Education Research and Training (NCERT) in 2003. The budget estimate for the same in 2022-2023 is Rs, 58.7 crores. (Source: Press Release).

Government assistance: Today many national and international bodies are giving due emphasis to conserving environment. Also, environmentally friendly initiatives create a positive corporate image. This attracts the attention of policy makers who allow reduction of taxes for people who work for environmental purpose. This strategic collaboration attracts more startups to start their ventures in a ecofriendly way by developing latest technologies.

Changing consumption patterns: People are becoming more conscious regarding their health, wellbeing and their future. This consciousness cannot be thought of in isolation without taking into consideration the environmental implications. So, more emphasis has been given on organic products which are free from chemical contamination, products that use the available energy resources in a limited way such as hybrid cars, solar panels, etc. These needs of the consumers have created a niche segment of the market which can be served by growing number of ecopreneurial ventures. In India, sustainability is a growing concern, 20% of consumers in India are environmental and socially conscious while 49% are health conscious. India is putting more emphasis on Environmental Sustainability Goals (ESG) now and has mandated its top 100 listed companies to provide climate reporting from 2023. (Source: Bain\$Company, India Report). Indian consumers rank second out of 14 country indexes in 2022 with a score of 58.0 because of their relative lower environmental impact from housing and above average performance on transportation and food. (Source: National Geography Greendex).

Socio economic upliftment: Earlier local producers were not able to get fair prices for their limited produce. As a result, they need to either go in search of other sources of employment or use chemicals to get more production. This has resulted into a negative impact both on the health of consumers and on the environment. But today with more inclination of consumers towards organic products, the local producers would use their part of land in production of organic products. This has resulted in the growth of agri business which is the backbone of a country like India. As a result of which there has been a upsurge in the socio economic status of the local producers.

Competitive Advantage: Businesses adopting a greener approach focusses on achieving its goals by working in collaboration with the environment. They have been able to serve the niche market segment which was not given due attention by earlier entrepreneurs. Again, their offerings received great response by the consumers who are more concerned about their health and wellbeing and who like to use more of organic products free from chemical contamination. The benefits from these organic consumptions were quite evident resulting into positive word of mouth. As a result, the green businesses received huge consumer traffic resulting into higher profits. This practice results in achieving a competitive advantage and finding its place in the global market place. In India, 57% of companies have established and effectively articulated a sustainability plan highlighting that India is moving towards producing sustainable products across domains namely:

a) **Green Packaging market:** In 2021, the size of green packaging market in India was \$9.8 million USD. It is estimated to increase at a compound annual growth rate (CAGR) of 7.1% from 2022-2027. (Source: Sudip Ghose, founder, Acefour Accessories).

b) **Eco friendly Fashion market:** Consumption pattern is changing rapidly as two-third of the global buyers are willing to spend more on eco-friendly clothes. Indian apparel market is expected to earn \$59billion in 2022 making it the sixth largest in the world. (Source:

McKinsey State of Fashion Report).

c) **Organic Food market:** The Indian organic food market is expected to exhibit a CAGR of 25.25% during 2022-2027. (Source: Imarcgroup Report).

d) **Organic Home Hygiene market:** India's ecofriendly home hygiene market is anticipated to project robust growth in the forecast period 2022-2027 with an impressive CAGR of 32.90%. (Source: Techsciresearch Report).

e) **Ecofriendly EV market:** EV market is expected to grow a a CAGR of 90% in the decade of 2021-2030 to touch \$150 billion by 2030(Source: RBSA Advisors report).

Impact of Ecopreneurship on environmental sustainability

Environmental sustainability cannot be studied in isolation without giving due emphasis on the different aspects of ecological sustainability namely: Eco awareness, Eco commitment, Eco vision, Eco opportunity, Eco innovation, Eco consumption and green economy. The impact of ecopreneurship on the different aspects are as follows:

1. **Eco awareness:** Ecopreneurship though at its infancy stage, has been able to create a culture where individuals and companies are becoming more environmental conscious. Apart from providing ecofriendly products, they are also educating the society regarding different environmental issues. This has created more awareness among youths who are learning to find alternative approaches and ways of behaving to live in harmony with nature.

2. **Eco commitment:** Ecopreneurs now understand the significance of carrying out trade in an environmentally friendly manner. They adopt certain proactive measures such as ecofriendly packaging, water conservation, efficient energy utilisation etc while resisting the throwaway culture. So, ecopreneurship has created an atmosphere where there has been a shift from normative commitment, where companies have to comply with the environmental provisions owing to governmental actions to an affective domain, where entrepreneurs are committed to sustain the environment due to their emotional attachment with the environment.

3. **Eco vision:** Ecopreneurs have come out as innovators who serve as a bridge between the economic end and the ecological perspective. This has been a pull factor enticing other startups to create technologies that address different environmental issues. Their vision has changed from capturing market with conventional products to creating superior environmentally friendly offerings that are successful in the market place.

4. **Eco opportunity:** Various environmental conditions provide the ecopreneurs an opportunity in the form of a niche market segment which can be served by providing superior environmentally friendly products and services. These opportunities in addition to opening up new earning avenues also brings together other aspiring entrepreneurs having similar interests.

5. **Eco innovation:** Ecopreneurs play a major role in utilising the available resources in an efficient manner by developing products and services that either limit the use of resources or use resources with minimum wastage. Further they play a crucial role in utilising the reusable waste materials and converting them into utility goods. Chlorine free reusable paper, soy-based inks, eco bricks made out of plastic wastes are few instances that shows the creative effort of an ecopreneur in using the resources of the earth in a judicious manner.

6. **Eco consumption:** Many natural havocs have pushed consumers to be more environmentally friendly. They have become a part of the green partnership campaign by

restricting the use of products and services that pose a threat to the planet. Consumers have made drastic changes in their lifestyle by collaborating in the consumption process of products that are ecologically safe.

7. **Green Economy:** By identifying symbiotic relationship between making a profit and preserving the environment, ecopreneurs are revolutionizing the future by contributing significantly towards a green economy. This has been assisted by partnership among the different stakeholders of the society namely government, funding agencies, companies, different pressure groups and the society at large. Creation of a green economy permits achievement of economic growth and employment opportunities through activities that are environmentally friendly.

Suggestions

The following suggestions can be put forward after conducting the study:

1. It is in the DNA of people of India that they feel part of the environment. Local people are more aware of the benefits and qualities of different natural resources found in different parts of the country, the need is only to infuse entrepreneurial spirit in them and this can be done through different awareness, training sessions conducted even in the remotest of the places in India.

2. Students from very young age should be involved in many skill development programmes related to ecofriendly products. As youths are the future of a country like India, acquainting them with ecofriendly skills would help in building up the passion in them to work for the environment as well as the economic cause of the country.

3. Ecopreneurship is still at its infancy in a country like India. To get success, it requires a global stage where they can demonstrate their products and attract foreign investment as well as foreign expertise. In this context, Government, different pressure groups as well as the business community should work in a coordinated manner.

Conclusion

Though environmental conservation has received due importance by many companies and they have also contributed to its protection through different CSR activities, but there is still a gap between expectations and reality. To cope up with this, ecopreneurs have come up as leaders and have tried to bridge the gap. The actual success of ecopreneurship relies on support from all stakeholders such as government giving tax benefits to green entrepreneurs, suppliers focusing on supplying environmentally friendly raw materials and consumers buying green products. This can be achieved by educating youths from a younger age regarding the benefits of living in harmony with nature and the initiatives that need to be taken to join the movement towards environmental sustainability.

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